

July 28, 2010

Ms. Karen Pfeil & Ms. Nancy Elks
Department of Workforce Development
P.O. Box 7972
Madison, Wisconsin 53707

Please accept the following response to the recent report regarding the review of the West Central Wisconsin Workforce Development Area implementation of the American Recovery and Reinvestment Act (ARRA). We note that the exhaustive review conducted by the Jefferson, Wells firm is summarized as follows:

Based upon fieldwork performed from March 15 - 17, 2010, of the West Central Wisconsin Workforce Resource, Inc. (WRI), the control environment appears to be well established and operating effectively. In fact, several best practices were noted including management's documentation of internal controls in key areas (e.g., entity level, accounting/finance and IT). Observations were made regarding WRI's Board Governance and Personnel Policies.

The two observations cited in the report and the responses to each are found below.

Board Governance:

The Board of Directors consisting of 30 members meets bi-monthly. However, six Board members missed all of the 2009 meetings. As a result, they were not able to satisfy their oversight responsibilities. While the Executive Director indicated that WRI has a policy which addresses Board member attendance, there is no evidence to indicate that this policy is being enforced by the Board Chairman.

Response: *The issue of Board Member attendance had been the subject of considerable board discussion throughout a recently concluded Workforce Board strategic planning process. Several adjustments to the Board operating procedures and bylaws were enacted to remedy this situation. These included a change in meeting frequency, the allowance for remote/telephonic/electronic participation and the designation of alternates who would be officially authorized by both the WDB and the County Boards' Consortium to represent the board appointee, with provisions that such alternates must meet bylaw and WIA appointee requirements. These amendments have resulted in increased attendance and participation. Board leadership is more closely monitoring attendance and prior to the August 2010 Board meeting will be taking up any continued attendance issues which may include corrective action up to and including vacating of Board seats and new recruitment and appointments being carried out.*

Personnel Policies:

The lack of a periodic review to ensure that authorized policies remain consistent, relevant and adequate increases the risk that regulatory and/or agency policies are not followed, which can impair management's ability to execute directives effectively and efficiently. The personnel policies are rather dated as most were created and/or revised more than 10 years ago. Only one personnel policy (vacation leave) was newly issued or revised in the past eight years. Another concern is that there is no written policy or other documentation, other than for sexual harassment, outlining WRI's process for handling an employee grievance/complaint.

Response: *While the Personnel Policies cited above appear to not have been recently revised, this observation is only partially accurate. Many of these policies did not require any particular revision and have therefore been in place for some time. Others have been modified through an employee bulletin process that is used to update an array of operational policies and procedures. The citation that there is only an employee grievance/complaint process incorporated into the agency's sexual harassment policy is not accurate but that process too is located elsewhere in agency and Board procedures. We do recognize that such policies and procedures would be better organized by consolidating all human resource issues into the Personnel Policy format and that process has begun since the conclusion of the Jefferson Wells observation. We estimate that this consolidation and revision process will be completed by December 31, 2010.*

We hope that this response to the two observations is satisfactory and while not minimizing the "observations" we note that there were no findings or disallowances. We would also wish to draw attention to the noteworthy statements in the summary which we would hope have not gone unnoticed, namely that *"the control environment appears to be well established and operating effectively. In fact, several best practices were noted including management's documentation of internal controls in key areas (e.g., entity level, accounting/finance and IT)."*

I would like to commend the Governance Structure, the fiscal and program management staff of the West Central Wisconsin Workforce Development Area for receiving such a complementary review with such limited deficiencies being noted. Please feel free to contact us for any further response as may be necessitated to address any concerns you may have.

Respectfully Submitted


Richard Best
Executive Director